CITY OF MINNEAPOLIS

and

POLICE OFFICERS FEDERATION OF MINNEAPOLIS

MEMORANDUM OF AGREEMENT IMPLEMENTATION OF STEP ELIMINATION

RECITALS

- A. The Police Officers Federation of Minneapolis (the "Federation") and the City of Minneapolis (the "Employer") are parties to a collective bargaining agreement that is presently in effect (the "CBA").
- B. Under the terms of the CBA, the first step on the wage schedule for the Patrol Officer rank was eliminated effective January 1, 2008. The effect of the elimination of the first step in each class was that any employee who was in the first step of the wage schedule as of December 31, 2007, would move to the second step (new first step) of his/her respective wage schedule as of January 1, 2008, without regard to his/her anniversary date.
- C. The CBA did not contain language to prevent the "leapfrogging effect," that is employees of lesser seniority temporarily moving to a higher step on the wage schedule than employees with greater seniority.
- D. The parties did not intend for "leapfrogging" to occur in either situation and, instead, intended that the anniversary dates of the employees advancing a step by reason of the elimination have their anniversary dates adjusted.

E. The parties mutually desire to correct the "leapfrogging" effect that resulted from the implementation of the step elimination and to prevent "leapfrogging" from occurring with regard to any future wage schedule adjustments that call for the elimination of steps on the terms set forth herein.

AGREEMENT

- 1. Adjustment of Anniversary Dates. With regard to any employee who received a step increase on January 1, 2008, by reason of the elimination of the wage step he/she was in as of December 31, 2007, his/her anniversary date in the rank he/she was in as of December 31, 2007, shall be permanently adjusted to January 1. Such adjustment of the anniversary date shall be implemented as soon as is practical. An employee whose anniversary date is adjusted to January 1 by reason of this Agreement shall not be eligible to receive a step increase in that same job classification until January 1, 2009.
- 2. <u>Correction of Overpayment</u>. The parties acknowledge that the error from not adjusting the anniversary dates was not discovered until after some employees received a step increase effective January 1, 2008 and again on their anniversary date in 2008. The parties further agreed that this resulted in certain employees being overpaid for a period of time during the 2008 payroll year. To correct this overpayment, the following steps will be taken with regard to any employee who: was in Step 1 of the Patrol Officer wage schedule as of December 31, 2007; received a step increase effective January 1, 2008; and also received a step increase on his/her anniversary date in 2008.
 - a. The employee's anniversary date in the rank of Patrol Officer shall be permanently adjusted to January 1.
 - b. The pay rate for the employee will be reduced from Step 2 (old Step 3) to Step 1 (old Step 2) as soon as is practical.

- c. The number of full pay periods for which the employee was incorrectly paid at Step 2 (old Step 3) during 2008 will be determined.
- d. Rather than require the employee to repay the amount overpaid during 2008, the eligibility date for the employee's 2009 step increase will be delayed by the number of pay periods for which he/she was overpaid as determined in subparagraph c., above.
- e. After the implementation of the step increase referenced in subparagraph d., and so long as the employee remains a Patrol Officer, he/she will be eligible for: his/her next step increase on January 1, 2010; and, thereafter, a step increase on each succeeding January 1 until he/she has reached the top step of the wage schedule.
- 3. Amendment to the CBA. Section 7.6 of the CBA shall be amended as follows:

Section 7.6 – Pay Progressions.

Employees shall be eligible to be considered for advancement to the next higher step within the pay range for their classification, if applicable, upon the completion of each twelve (12) months of actual paid service in such classification. Such increases may be withheld or delayed in cases where the employee's job performance has been of a less than satisfactory level in which case the employee shall be notified that the increase is being withheld or delayed and of the specific reasons therefore. All such denials or delays shall be subject to review under the provisions of Article 5 (Settlement of Disputes) of this Agreement. All increases approved pursuant to this section shall be made effective on the first day of the pay period which includes the date of eligibility. If an employee is advanced to the next higher step within his/her pay range by reason of the elimination of the step he/she was in, the employee's anniversary date in the job classification he/she was in at such time shall be permanently adjusted to the month and day that such step advancement occurred.

4. <u>Labor Agreement Remains in Effect</u>. Except as expressly modified herein, the CBA remains in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

FOR THE EMPLOYER:

Tim Dolan Chief of Police

Date

Director, Employee Services

FOR THE FEDERATION:

John Delmonico

President

Attorney for POFM